

Message Text

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PAGE 01 BUENOS 03220 022214Z
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 EB-07 /023 W
-----030452Z 099476 /21
R 022042Z MAY 77
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 0299
INFO USDOC WASHDC

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E.O. 11652: N/A
TAGS: EFIN, PGOV, AR
SUBJECT: NEW GOA INSURANCE REGULATIONS

REF: (A) STATE 098172, (B) BUENOS AIRES 2470, (CL STATE 065914

1. AS DESCRIBED IN REF B, TODD HALL'S DESCRIPTION OF NEW INSURANCE REGULATIONS UNDER CONSIDERATION BY GOA IS ESSENTIALLY CORRECT. THE IMPRESSION FROM LOCAL INSURANCE SOURCES, HOWEVER, IS THAT ON BALANCE THE NEW REGULATIONS WILL PROVE MORE LIBERAL FOR FOREIGN INSURANCE COMPANIES, WHICH WILL BE ABLE TO BENEFIT FROM THE INCREASED SHARE OF BUSINESS AVAILABLE TO THE PRIVATE SECTOR BY ASSOCIATING THEMSELVES WITH PRIVATE ARGENTINE COMPANIES. A DRAFT VERSION OF THE REGULATIONS HAS BEEN TRANSMITTED TO MR. LEDWYER, USDOC.

2. THE DEPARTMENT IS CORRECT IN THAT THE PROPOSED REGULATIONS HAVE A STRICTER DEFINITION OF WHAT CONSTITUTES A FOREIGN FIRM THAN THAT OUTLINED IN THE FOREIGN INVESTMENT LAW. A SIMILAR PRECEDENT, HOWEVER, HAD BEEN ALREADY ESTABLISHED IN THE NEW LEGISLATION ON THE BANKING SYSTEM, WHICH ALSO DEFINED AS AN ARGENTINE COMPANY ONE IN WHICH AT LEAST 70 PERCENT OF THE OWNERSHIP WAS ARGENTINE. IN BOTH THE BANKING LEGISLATION AND THE PROPOSED INSURANCE REGULATIONS, IT IS CLEAR THAT FOREIGN INVESTORS "DO NOT HAVE SAME RIGHTS
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AND OBLIGATIONS GRANTED TO NATIONAL INVESTORS". IF THE DEPARTMENT DEEMS IT DESIRABLE, THE EMBASSY WILL EXPRESS ITS CONCERN AT APPARENT DISCRIMINATORY FEATURES OF NEW INSURANCE LEGISLATION TO NEW SUBSECRETARY OF FOREIGN INVESTMENT, FEDERICO DUMAS. BEFORE DOING SO, HOWEVER, WE WOULD WANT TO BE SURE THAT THERE IS A CONSENSUS IN THE U.S. INSURANCE

COMMUNITY THAT ON BALANCE THE NEW REGULATIONS WILL
AFFECT IT ADVERSELY.
HILL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 02-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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Litigation History:
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Message ID: a54be287-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
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TAGS: EFIN, PGOV, EINV, AR, US
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